8/02//003/ Incoming.

BLM Cedar City Field Office Site Inspection Report

November 18, 2013

File:

UTU-78619

Wah Wah Red Beryl Prospect

Jimmy Hodges

Inspector:

Ed Ginouves, CCFO Mining Engineer

Insp. Date:

November 15, 2013

On November 15, 2013, I conducted what I hoped to be a final a reclamation inspection of Wah Wah Red Beryl Prospect. I have been working with the operator over the past year to satisfactory block and reclaim the access road to the prospect area. An earlier attempt, in June, had proved inadequate to deter entry onto the access trail and I had required the operator to make a second attempt, which he accomplished on November 11th. The prospect area itself is already reclaimed and satisfactorily re-vegetated.

Background: Information on site location and access is provided in the pre-disturbance inspection report dated April 23, 2001.

The site was authorized in 2001 as a bulk sampling notice of intent and included road upgrading and new road building, exploration trenching and small surface mining operations. Disturbances were limited to a maximum of two acres disturbance under the project bond of \$6,000. The principal mineral being sought is red beryl (bixbite), along with associated topaz, bixbyite, and specular hematite crystals.

The site was worked for several seasons and then fell into inactivity. The current project bond of \$6,000 was originally set and held by BLM, as it pre-dated the Division's bonding rules for exploration-level activity. Over the past two years, the Division has been trying to conform these older BLM-only bonded operations to their current bonding rules, which would requirement an increase in the bond. Mr. Hodges, the operator, has resisted these requests from the Division, and early in 2011, Mr. Hodges decided to discontinue the permit and reclaim the site. On March 17, 2011, I had a lengthy telephone conversation with Mr. Hodges on the reclamation measures required to gain bond release. Mr. Hodges had agreed to perform these measures before the winter of 2011 and in a telephone conversation I had with him on Sept. 6, 2011, had told me the measures had largely been carried out. My subsequent inspection on October 21, 2011 showed the work was not adequate for release and I have been working with Mr. Hodges since that time to complete the work.

The previous inspection was conducted on June 24, 2013. The weather was partly cloudy, windy and cool. The project area was dry.

Inspection Findings: I left the vehicle at the beginning of a secondary trail branching off the Sawmill Gulch trail, roughly two road miles from the prospect site and roughly one mile from the beginning of the new access created under the notice. The operator has blocked the existing trail at this point to full-sized vehicle passage with several chain-sawed trees and a ditch in the dry wash. The tire marks of the operator's small excavator that he had brought to the site were still clearly visible. I hiked from here to the beginning point of the new access trail made under the notice, roughly a mile distant.

As I had requested, Mr. Hodges had deeply pocked the new access trail from its point of beginning (a small glade in the Ponderosa pine forest) to the former location of the access gate, a distance of about ¼ mile. The reclaimed surface is impassable to anything but foot travel. As the adjacent terrain is also impassable to vehicle travel, this will prevent anyone from accessing the remaining trail section, which is already re-vegetating. I spent a couple of hours dragging dead and down trees back over the remaining trail section to further assist the re-vegetation process.

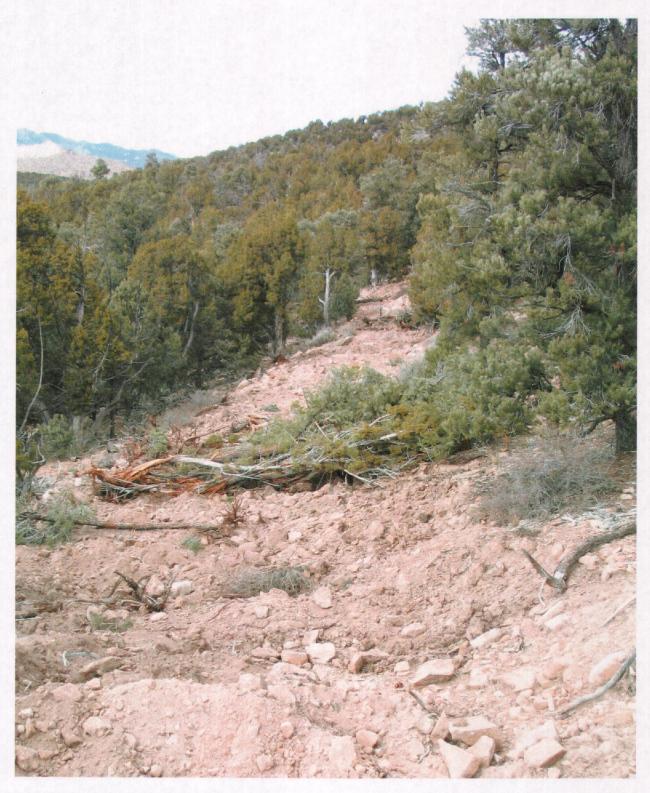
Photographs were obtained and are attached.

Recommendation: I am satisfied that the work performed is adequate and that the remaining site disturbances will re-vegetate adequately, as they are inaccessible to vehicle travel. I can recommend that the entire bond amount be released and the case closed.



UTU-78619: Wah Wah Prospect November 15, 2013

View, looking easterly, of reclaimed point of beginning of the new access trail created under the notice.



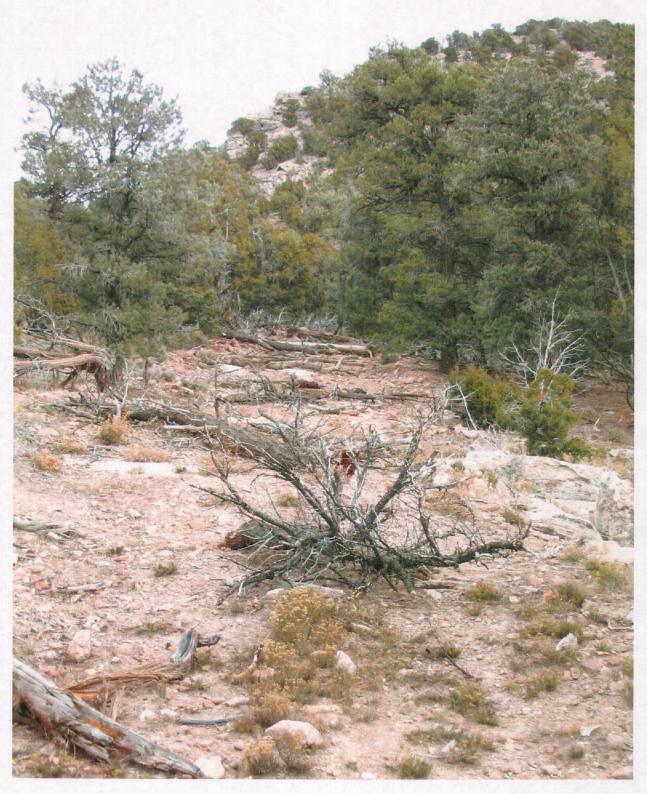
UTU-78619: Wah Wah Prospect November 15, 2013

View, looking northerly, of typical section of the reclaimed access trail between its point of beginning and the former access gate.



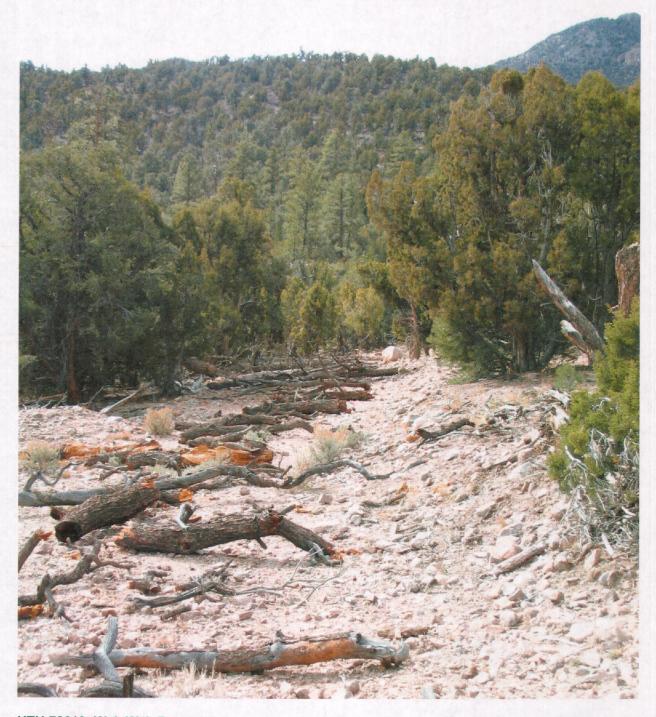
UTU-78619: Wah Wah Prospect November 15, 2013

View, looking northwesterly, of former location of the access gate.



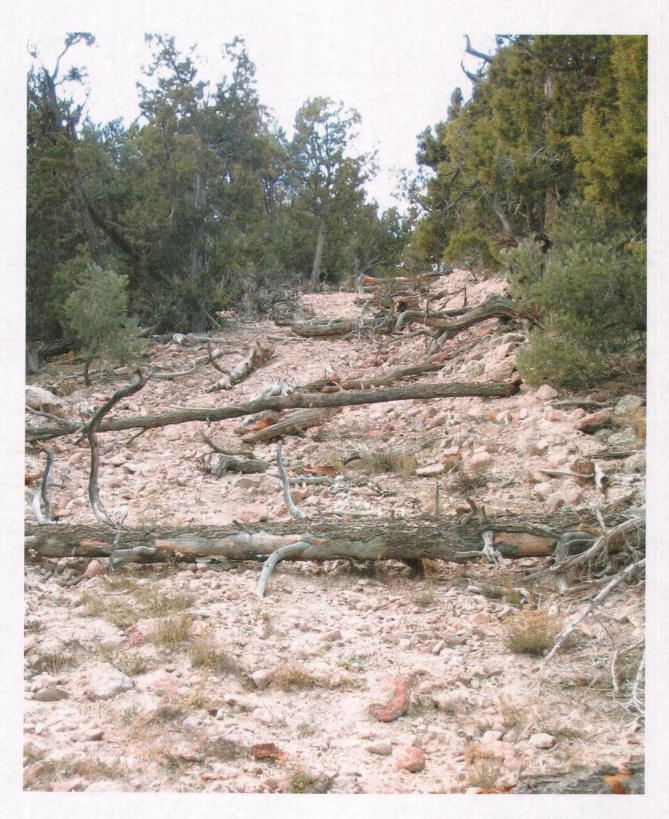
UTU-78619: Wah Wah Prospect November 15, 2013

View, looking easterly, of typical section of the reclaimed access trail between the former gate and the prospect.



UTU-78619: Wah Wah Prospect November 15, 2013

View, looking easterly, of typical section of the reclaimed access trail between the former gate and the prospect.



UTU-78619: Wah Wah Prospect November 15, 2013

View, looking westerly, of typical section of the reclaimed access trail between the former gate and the prospect.